

## Management, “Don’t confuse me with the facts.”

Historically management had to make decisions based on instincts and, like the barnstorming pilots of early aviation, had to fly or die by the seat of their pant. Only the largest organizations in the world had access to, could analyze from and gather factual data. The information age has changed all of that, or has it?

Although information abounds, with the complexity and sheer volume of content it can be impossible to make sense of it all. Using facts for decisions should produce better results than gut feelings or guesswork but until recently, to sift through all the information was a daunting task. Welcome to a new management tool, generically called “Business Intelligence Systems.”

In *Your Gut Is Still Not Smarter Than Your Head*, authors Kevin Clancy and Peter Krieg collected data on more than 500 marketing programs and found that 84 percent failed to generate a positive return on investment. “The first order of business is to move the decision-making process up a level by taking it out of the area of intuition and placing it squarely in the realm of reason and logic”

Business Intelligence Systems refer to combinations of hardware, software, and communications connections used to analyze piles of available data and organize it to answer specific management questions.

Included might be measuring sales at various levels, tracking production and shipping costs or any other internal operating statistics. Integration of internal and external data can provide managers with the knowledge needed to make the right business decisions.

Good business intelligence allows a company to gain a competitive advantage by forecasting future trends, developing effective competitor responses by anticipating their strategic moves and knowing exactly what customers are doing in the marketplace, including spending patterns, product preferences, and accurately anticipating future needs.

Many vendors are designing tools to gather and analyze large quantities of

unstructured data and costs are plummeting due to competitive pressure. Organized information available runs from attendance reports to production statistics, from sales figures to customer attrition rates and is available for almost any sector of business, from law firms to retail stores and from financial services to manufacturing companies.

William H. Marquard author of *Wal-Smart* attributes Wal-Mart’s success to its Business Intelligence Systems “You make explicit strategic choices. You execute them with intentionality and then you link competitor strategy, supplier strategy, employer strategy and community strategy together to drive shareholder value.”

Marguard continues: “Ultimately, making smart choices will separate those who profit and win from those who lose. For the companies that make the right decisions, the daunting challenges of a world dominated by giants like Wal-Mart will fade, replaced by a clear vision of a brave new world created by being Wal-Smart.”

Jim Honerkamp, CIO of Hillman Group said, “In the bad old days, executives looking for sales information had to ask programmers to make a manual database query to pull the numbers. The lag time made the charts stale the minute they came out. With the new Business Intelligence System, managers can make the query themselves and get instant answers in real-time.”

Honerkamp cautions however, “The new system hasn’t made the business better, at least not yet, only better informed.” Management still has to make good sound business decisions...all that Business Intelligence Systems can do is organize and give them the facts so it is no longer necessary to fly by the seat of their pants.

*This article is provided by Joe Murtagh, “The DreamSpeaker” [www.TheDreamSpeaker.com](http://www.TheDreamSpeaker.com). For keynotes, workshops, consulting and questions or a free report on the 3 Most Common Mistakes Organizations Make email us at [Joe@TheDreamSpeaker.com](mailto:Joe@TheDreamSpeaker.com) or call 800-239-0058.*



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